

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** July 13, 2011  
**POSITION:** Oppose

**BILL NUMBER:** SB 744  
**AUTHOR:** M. Wyland

### **BILL SUMMARY:** Water Submeters: Testing

This bill, among other things, would provide that any water submeter, tested by equipment that is regularly calibrated by tests that are directly traceable to standards promulgated by the National Institute of Standards and Technology (NIST), will be deemed sealed and approved for commercial use if certain conditions are met.

### **FISCAL SUMMARY**

The California Department of Food and Agriculture (CDFA) indicates that this bill would not have a direct fiscal impact to the department. However, to the extent there are complaints and the CDFA has to investigate them, this bill would eliminate the CDFA's only method for cost recovery because water submeters are already exempt from civil administrative penalties.

The California Constitution requires the state to reimburse local entities for increased costs associated with any new program or higher level of service imposed by the state on local entities if the Commission on State Mandates determines that the new program or higher level of service is reimbursable and a state mandate. To the extent that county weights and measures officials may have to respond to complaints about inaccurate billing for water usage on meters they have not tested and sealed, there could be increased costs for counties. However, these costs are not expected to create a reimbursable state mandate because existing statute places financial responsibility for the office of the county sealer with the county.

### **COMMENTS**

The Department of Finance is opposed to this bill because it would exempt water submeters from the requirement that all commercially used weighing, measuring, and counting devices be tested and sealed by a licensed sealer before the device is sold or placed into commercial use. By allowing anyone (including manufacturers and service providers) to test, approve, and seal commercial devices, this bill would remove the impartiality of the sealing process which could create costs from increased complaints that the CDFA would have to investigate. Further, this bill would make it difficult to take any legal action against water submeter manufacturers who violate weights and measures laws and regulations because this bill would preclude any person who makes such violations from being criminally liable.

Existing law:

- Requires all commercially used weighing, measuring, and counting devices to be tested and sealed by a sealer of weights and measures before the device is sold or placed into commercial use.
- Permits only a sealer of weights and measures to seal a device and place it into commercial use.
- Requires devices that cannot be inspected and tested after installation (such as water submeters, electric meters, and hydrocarbon vapor submeters) to be submitted to a sealer for testing prior to installation so that they can be tested in a laboratory.

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Analyst/Principal (0222) J. Fitzpatrick	Date	Program Budget Manager Lisa Ann L. Mangat	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

**BILL ANALYSIS** Form DF-43 (Rev 03/95 Buff)

## AUTHOR

**AMENDMENT DATE**

**BILL NUMBER**

M. Wyland

July 13, 2011

SB 744

**COMMENTS (Cont'd)**

This bill, among other things, would:

- Provide that any water submeter, tested by equipment regularly calibrated by tests, as specified, will be deemed sealed and approved for commercial use if specified requirements are met.
- Specify that a water submeter must not be considered to have been placed into service prior to its installation (if the water submeter is to be used in a multiunit residential structure).
- Preclude, from criminal liability, any person who violates weights and measures laws and regulations relating to water submeters.
- Specify this bill's provisions would remain in effect only until January 1, 2015, and as of that date is repealed unless a later enacted statute deletes or extends that date.

The CDFA notes that in order for a device to be accurate, it must not only meet the tolerance requirements established in NIST Handbook 44, but it must also meet the specifications for approval for commercial use in California.

Essentially, this bill would not require water submeters in multiunit structures to be tested and verified prior to installation. The CDFA indicates that water submeters are impossible to test and verify for accuracy after installation (without removing them from the delivery system and disrupting water services).

		SO	(Fiscal Impact by Fiscal Year)						
Code/Department	LA	(Dollars in Thousands)							
Agency or Revenue	CO	PROP							Fund
Type	RV	98	FC	2011-2012	FC	2012-2013	FC	2013-2014	Code
8570/Food & Ag	SO	No	-----	See Fiscal Summary				-----	0111
8885/Comm St Mndt	LA	No	-----	See Fiscal Summary				-----	0001
<u>Fund Code</u>	<u>Title</u>								
0001	General Fund								
0111	Department of Agriculture Account, Ag Fd								